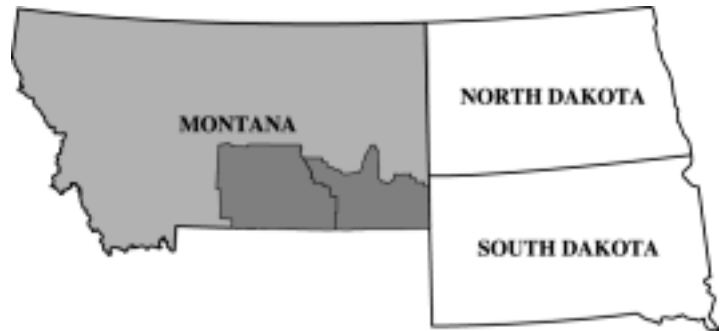




Coal Bed Methane Development

WHERE ARE WE NOW?

- The coal bed methane (CBM) industry is interested in developing this resource in southeastern and south central Montana – primarily in the Powder River Basin.
- In order to analyze conventional oil and gas and full field CBM development, BLM and the State of Montana (Department of Environmental Quality and Board of Oil and Gas Conservation) are preparing a joint environmental impact statement (EIS) and resource management plan (RMP) amendment.
- A Draft EIS was released for a 90-day public review, which ended May 15. A final is scheduled for fall 2002.
- The preferred alternative in the draft would sustain resource values, social values and existing land uses while facilitating CBM exploration and development.



HOW DID WE GET HERE?

- BLM RMPs dating from the mid-1990s support conventional oil and gas development and limited CBM exploration and production.
- In November 2000, BLM officials determined that CBM development would result in significant impacts that could not be mitigated, so the Bureau began working on an EIS and RMP amendment to analyze reasonably foreseeable CBM development.
- A lawsuit filed against the Montana Board of Oil and Gas Conservation requires the State of Montana to prepare a comprehensive EIS to analyze CBM development.
- In Montana, there are no producing federal CBM wells, but there are about 240 producing CBM wells involving private and state land.



Typical CBM drilling rig.

WHAT NEEDS TO BE DONE?

- BLM's purpose for the EIS/amendment is to analyze impacts in the Billings and Powder River RMP areas from oil and gas development (particularly from CBM exploration), production and reclamation.
- The State of Montana's purpose is to analyze statewide effects of further permit applications for oil and gas development, particularly CBM.
- The Powder River RMP area encompasses about 2,522,950 BLM-administered oil and gas acres.
- The Billings RMP area encompasses about 662,066 BLM-administered oil and gas acres in the south-central portion of Montana.
- The State of Montana's planning area is statewide with emphasis on the BLM planning areas and three areas in Blaine, Park and Gallatin counties.
- For analysis purposes, BLM and the State of Montana predict that approximately 10,000 to 26,000 coal bed methane wells will be drilled in the state over the next 20 years in addition to a number of conventional oil and gas wells.



A gathering line being built near Decker.

WHO ELSE IS CONCERNED?

- There is a high level of regional interest in CBM production with most concerns focused on water-related impacts.
- Four designated cooperating agencies are also helping BLM and the State prepare the EIS: the Bureau of Indian Affairs, U.S. Department of Energy, Crow Tribe and the EPA.
- In April 2002 BLM held 5 public hearings and the DEQ an additional public hearing on the Draft EIS. We received about 17,000 letters/cards/emails. About 8,000 of those were for Montana; the rest pertained to Wyoming's EIS and were forwarded.
- The BLM has invited the Northern Cheyenne Tribe to participate in all cooperating agency activities.
- Some entities have raised concerns regarding Montana and Wyoming BLM preparing separate EISs in the Powder River Basin.



Completed CBM well.

FOR MORE INFORMATION

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